

**NOTICE OF PROPOSED REFUNDING AND DEFEASANCE  
BY THE MINNESOTA HOUSING FINANCE AGENCY**

**Proposed Refunding and Defeasance**

On March 22, 2012, the members of the Minnesota Housing Finance Agency (the "Agency") adopted a resolution that authorizes the issuance of bonds to refund outstanding Single Family Mortgage Bonds and Residential Housing Finance Bonds of the Agency which currently are, or as of May 1, 2012, will be, subject to optional redemption. The outstanding series of bonds currently proposed to be refunded in their entirety are:

- Single Family Mortgage Bonds, 1994 Series E
- Single Family Mortgage Bonds, 1996 Series C
- Single Family Mortgage Bonds, 1996 Series D
- Single Family Mortgage Bonds, 1998 Series F-1
- Single Family Mortgage Bonds, 1998 Series G-1
- Single Family Mortgage Bonds, 1998 Series H-1
- Single Family Mortgage Bonds, 1998 Series F-2
- Single Family Mortgage Bonds, 1999 Series H
- Single Family Mortgage Bonds, 1999 Series J
- Single Family Mortgage Bonds, 1999 Series K
- Single Family Mortgage Bonds, 2000 Series G
- Single Family Mortgage Bonds, 2000 Series H
- Single Family Mortgage Bonds, 2001 Series A
- Single Family Mortgage Bonds, 2001 Series B
- Residential Housing Finance Bonds, 2002 Series A
- Residential Housing Finance Bonds, 2002 Series A-1
- Residential Housing Finance Bonds, 2002 Series B
- Residential Housing Finance Bonds, 2002 Series B-1
- Residential Housing Finance Bonds, 2002 Series E
- Residential Housing Finance Bonds, 2002 Series F

No assurance can be provided with respect to the issuance of such refunding bonds, the timing of any such issuance, or the actual series of Agency bonds to be refunded with the proceeds thereof.

If such refunding bonds are issued, however, the Agency expects to use available excess revenues under the Single Family Mortgage Bond Resolution and other Agency funds to optionally redeem and defease all other bonds now outstanding under the Single Family Bond Resolution, which are the following series of bonds:

- Single Family Mortgage Bonds, 1996 Series A
- Single Family Mortgage Bonds, 1996 Series E
- Single Family Mortgage Bonds, 1996 Series F
- Single Family Mortgage Bonds, 1997 Series D
- Single Family Mortgage Bonds, 1997 Series E
- Single Family Mortgage Bonds, 1998 Series G-2

Single Family Mortgage Bonds, 1998 Series H-2  
Single Family Mortgage Bonds, 1999 Series I  
Single Family Mortgage Bonds, 2000 Series F  
Single Family Mortgage Bonds, 2001 Series E

If all bonds issued under the Single Family Mortgage Bond Resolution are defeased, the Agency expects to transfer substantially all of the mortgage loans thereunder to the Residential Housing Finance Bond Resolution to provide additional security for bonds outstanding thereunder. Information about the mortgage loans pledged under the Single Family Mortgage Bond Resolution as of December 31, 2011 is available in the Single Family Mortgage Bond Resolution, Quarterly Disclosure Report, Information as of December 31, 2011, which is available at the Agency's website at [www.mnhousing.gov/investors/reports/disclosure/index.htm](http://www.mnhousing.gov/investors/reports/disclosure/index.htm).

Again, no assurance can be provided that such refunding or defeasance will occur, as to the timing of either or both transactions, as to the actual issues of Agency bonds to be refunded or defeased, or as to the mortgage loans under the Single Family Mortgage Bond Resolution that may be transferred to the Residential Housing Finance Bond Resolution to provide additional security thereunder.

#### **Nature of Disclosure**

This information is provided by the Agency voluntarily and is not required to be disclosed by the Agency under applicable continuing disclosure undertakings, either as an event notice or otherwise. The Agency is not obligated to update the information contained in this notice, except as may be required under applicable continuing disclosure undertakings. Nothing contained in this notice is, or should be construed as, a representation by the Agency that the information included in this notice constitutes all of the information that may be material to a decision to invest in, hold or dispose of any Bonds of the Agency.

Dated: March 22, 2012.

MINNESOTA HOUSING FINANCE AGENCY